SOUTH FLORIDA WATER MANAGEMENT DISTRICT

AUDIT OF THE HUMAN RESOURCES DIVISION

Prepared By
Office of Inspector General

Allen Vann, Inspector General
Daniel J. Sooker, Senior Auditor
Gregory C. Rogers, Senior Auditor
Christian Flierl, IV, Senior Auditor
Andrea Stringer, Associate Financial Analyst

TABLE OF CONTENTS

BACKGROUND

The Human Resources Division of the Management Services Department consists of five functional units: Employment, Compensation, Equal Employment Opportunity, Employee Relations, and Employee Development.   The mission of the Division is to:

1. attract high quality job applicants,
2. increase job and advancement opportunities for minorities and women,
3. establish an efficient and effective link between the Human Resource function and the organization,
4. ensure the maintenance of a competitive performance-based reward system, and
5. provide training for District employees.

Total FY94 and FY95 expenditures for the Human Resources Division were $1,865,249 and $1,765,699. The Division's primary expenditures are for salaries and fringe benefits, which represent approximately 63% of the total.

The Human Resource Division's staff and expenditures by unit are as follows:

HR Unit	# of Positions	FY94 Expenditures	FY95 Expenditures
Employment	8	$ 737,067	$ 656,286
Compensation	4	224,651	227,943
Equal Employment Opportunity	1	184,701	279,326
Employee Relations	1	180,261	193,671
Employee Development (not audited)	4	389,903	339,478
Administrative Staff[1]	1	148,666	68,995
Total	**19**	**$1,865,249**	**$1,765,699**

The Employment Unit performs the following functions:

---

[1]   Administrative Staff Unit provides support for all five units of the Division and was not audited.

! facilitating and monitoring the hiring process,
! ensuring compliance with recruitment policies and applicable employment laws and regulations,
! conducting exit interviews with departing employees,
! analyzing open positions for possible redirection to meet District priorities,
! updating the personnel data base, and
! developing and administering policies.

The Equal Employment Opportunity Unit performs the following functions:

! developing the annual EEO plan, administering EEO related policies and updating the HRIS data base for changes in the District's work force,
! recruiting qualified minorities through attendance at job fairs, career days, and minority business group meetings, and
! investigating EEO complaints, e.g. sexual harassment and racial discrimination.

The Employee Relations Unit performs the following functions:

! administering and overseeing the Employee Assistance Program, *Drug Free Workplace, Employee Grievance* and *Corrective Action* policies,
! administering and overseeing the employee recognition programs and the sick leave pool, and
! providing employee and management counseling.

The Compensation Unit performs the following functions:

! performing compensation surveys that set the District's pay structure,
! administrating the Performance Appraisal and Evaluation program including the CAPE[2] system,
! administrating the District's *Salary Administration Policy*, and
! evaluating pay equity adjustment requests.

Additionally, the Compensation Unit has designed and will be introducing a new performance management and appraisal system to replace CAPE. The new system will focus on the achievement of mutually agreed upon performance plans between employees and supervisors. The critical factors used for assessing achievements will relate to a District core competency framework that includes customer service focus, communication, leadership, technical expertise, and team orientation. Numerical ratings and scores utilized in the CAPE system along with the current Performance

---

[2] The Computer Assisted Performance Evaluation system is the automated system used by the District to tabulate performance evaluation scores.

Appraisal Manuals will be eliminated. Other changes and improvements contemplated with the new performance management system include:

- **!** eliminating the minimum two evaluator requirement,
- **!** administering the program on-line,
- **!** implementing a new program guide for tying performance achievement with percentage pay increases, and
- **!** highlighting workforce diversity initiatives.

OBJECTIVES, SCOPE AND METHODOLOGY

Our audit included all Human Resources Division functional units, except for the Employee Development Unit, because the Educational Reimbursement Program had been previously audited. The four units under examination will hereinafter be referred to as the HR Division. Also, employee benefits administration, payroll, occupational safety, and occupational health functions performed by the Risk Management Division were not within the scope of this audit.

The audit examined the operations of the HR Division during FY95 to determine whether it is:

- **!** achieving the desired results and benefits to fulfill its mission,
- **!** acquiring, protecting, and using its resources economically and efficiently, and
- **!** complying with laws, regulations, policies and procedures.

We developed a Human Resources Division Customer Satisfaction Survey to determine customer satisfaction with the HR Division, to identify areas of strengths and weaknesses, and to effectively allocate our audit resources. The survey was sent to a limited number of individuals within the District who routinely deal with the HR Division in the course of their job duties. In order to evaluate whether the audited units are in compliance with laws, regulations, and District policies, we judgementally selected and evaluated samples of unit documentation (personnel files, performance evaluations, employee grievance files, recruitment files, etc.). Additionally, we obtained an understanding of internal controls through inquiries, interviews, and review of documentation.

We conducted our audit in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

Summary

We compared HR Division staffing and expenditure performance measures to performance measures of benchmark industries and concluded that they favorably approximate median industry averages. Likewise, the results of a limited survey indicate that overall the HR Division is doing a satisfactory job of serving its customers.

Subsequent to the 1991 elimination of the Sick Leave Incentive Program, sick leave usage has increased 39% to the 1995 average of 78 hours per employee. Under the Sick Leave Incentive Program, employees received a sick leave incentive payment for any portion of the first 40 hours of sick leave earned but not used during each calender year. The District should consider the merits of reinstating the Sick Leave Incentive Program which will improve employee availability and reduce costs. Other savings could be realized by establishing a fixed annual fee for the District≈s Employee Assistance Program contract. This might result in reduced administrative costs and eliminate the need for an independent audit.

It would be beneficial to the District if HR developed a long-range staffing plan to forecast the District's future demand for staffing and to compare these needs to internal and external staffing sources. Also, the Compensation Unit should set a goal of performing job group salary surveys biennially in order for the District to maintain its competitiveness in the external job market.

The draft *Harassment* policy conveying the District's intolerance of any type of harassment in the workforce should be finalized and administrative procedures for compliance with the *Nepotism* policy should be implemented. Also, the *Employee Exit Questionnaire* completion rate of 58% could be increased if the *Separation of Employment* and *Terminating an Employee* procedures drafts were finalized. The District's Organizational Charts are, in some cases, difficult to follow because there is no clear flow defining span of control and different presentation formats are used.

The District should formalize procedures for job candidate evaluation and require the use of behavioral interviewing techniques. Additionally, the District's outdated Recruitment policy may lead to confusion and misunderstanding among employees and should be updated. Development of goals and performance measures for the Intern Program could help determine whether the 10% hiring rate for interns has achieved management≈s expectation for the program.

Staffing and Expenditures for HR Division Compare
Favorably to Industry Averages and the Division
Meets or Exceeds Customers= Expectations

To determine whether HR Division staffing and expenditures were within reasonable ranges, we compared them to several industry performance measures as follows:

Human Resource Division Measurements	1995 District HR Averages	Selected 1995 Industry Statistics HR Averages		
		Low	Median	High
Staff per 100 Employees	1.20	.22	.80	2.70
Expenditures per Employee	$1,113	$156	$700	$3,257
HR Expenditures to Total Expenditures	1.21%	.11%	.70%	2.50%

Data Source: The 1995 Budgeted HR Industry Averages are for comparable size organizations based on surveys and studies conducted by Human Resource organizations.

A further breakdown of the industry HR averages reveals that human resource staffing varies with the level of the organization served by an HR department (e.g. entire workforce, single facility, division). The studies found that among organizations like the District, where a single HR department serves the entire workforce, the median HR staff ratio is 1.1 per 100 employees. Because of the unique mission of the District, we benchmarked[3] the HR operations to the closest industries we could find. The District is a governmental unit that communicates with the public in its role as a regional water resource manager. The closest benchmark industry group we could find was Aeducation and government@ which is similar in size and mission. The median expenditures per employee for education and government organizations were only $337. Likewise, HR department budgets comprise a median of only .50 percent of total projected operating costs for education and government organizations. However, the same study reflects that companies in the non-manufacturing industry group entitled Atransportation communication and utilities@ have median expenditures per employee of $1,304. Also, HR departmental expenditures represent a median of .90 percent of total operating costs for transportation communication and utilities companies.

---

[3] Benchmarking is a methodology for measuring performance against that of best-in-class organizations, determining how best in class achieve performance levels, and is also a quantitative comparison between organizations.

Based on our analysis, we concluded that the District's HR Division performance measures approximate the median industry averages and appear favorable.

As a part of this audit we developed a Human Resources Division Customer Satisfaction Survey (the "Survey") and sent it to individuals within the District who routinely deal with the HR Division in the course of their job duties. The first part of the Survey listed the various activities (there were a total of 24 identified) that the Recruitment, Compensation, Employee Relations, and Equal Employment Opportunity (EEO) Units are involved in. We asked the respondents to identify the services that they have used in the past two years and to rate their satisfaction with the quality of service provided. The rating was performed using a scale of 1-5 with 5 signifying the highest satisfaction rating that could be given. The second part of the Survey solicited narrative responses to questions that sought to gain an understanding of the responses to the first part as well as give the respondent the opportunity to express any other opinions or suggestions they had regarding the HR Division or the services they provide.

A total of 13 individual Surveys were circulated and nine were returned to the Office for a 69% response rate. The level of completion for any one Survey varied depending upon the services that HR had provided to the respondent over the past 24 month period and the extent to which the respondent chose to respond.

The Surveys indicated that the respondents were the most satisfied with the Recruitment Unit's recruiting activities, interviewing, and arranging for relocation activities, but expressed less satisfaction with internal employment opportunity counseling. Performance appraisal assistance was the highest rated activity of the Compensation Unit followed by developing job classifications and descriptions, compensation surveys, and internal pay equity audits. The Employee Relations Unit received the highest marks for corrective action and counseling on labor relation activities, while the service awards program received lower scores. Dissatisfaction over service award timeliness was also expressed in the second part of the Survey. The highest score received by the Equal Employment Opportunity Unit was for investigation of EEO complaints and the lowest score was for coordinating co-op interns. Our audit found that the Intern Program could benefit if performance measures were established (see page 28).

The two most often mentioned concerns were the inability to keep policies current and inconsistency in the application of policies. During our audit we found that the *Recruitment* policy needs updating (see page 25).

Several of the respondents suggested that the department HR representatives be able to directly input information into the Human Resource Information System (the"HRIS"). One Survey response suggested that updates are not done on a timely basis and that input errors, relating to education, have been made. By having access to the HRIS the representatives could input the information directly, thus eliminating a form and also freeing up HR to pursue more productive endeavors. The primary barrier to implementing decentralized on-line input is system limitations that give rise to security and privacy issues.

As previously mentioned, several of the respondents indicated that the HR Division was slow in delivering the tasks assigned to it. Two respondents indicated that this was in the area of recruiting. This somewhat contradicts the results obtained in the first part of the Survey where recruiting activities received a high satisfaction rating.

The respondents overwhelmingly agreed that the HR Division's greatest strength was its staff. Adjectives such as capable, courteous, creative, helpful, accessible, talented, and knowledgeable were used to describe the individuals employed within HR. This was further evidenced by the fact that most of the respondents agreed that HR demonstrates a strong commitment to customer service and that, for the most part, there is easy access to their services. Other respondents commented that delivery of the service, not access, was a problem.   Additionally, the respondents reported satisfaction with the guidance, training, and counseling that HR provides.

Based upon the results of our Survey and audit, it appears overall, the HR Division is doing a satisfactory job serving its customers. The responses seem to indicate that the four Units are either meeting or exceeding their customers' expectations.

**Elimination of the Sick Leave Incentive
Program Resulted in Increased Costs
and Reduced Employee Availability**

During the course of our audit, we analyzed payroll and temporary employee costs. Our analysis disclosed a disturbing trend of increased costs and sick leave usage subsequent to the elimination of the Sick Leave Incentive Program (the "Program") that was in effect between February 28, 1985, and December 31, 1991. The Program was discontinued at the end of calendar year 1991, apparently due to budget constraints.

The Program was intended as an incentive to employees to reduce their usage of sick leave. Regular employees who had more than 64 hours of accrued sick leave, received a sick leave incentive payment for any portion of the first 40 hours of sick leave earned but not used during each calendar year. Payments were based on employees' sick leave records and rates of pay at the end of the last pay period of each calendar year. Employees' sick leave accounts were reduced by the number of hours for which payments were made, and the unused sick leave balance, in excess of the hours for which payments were made, continued to accrue.

During calendar year 1991, the Sick Leave Incentive payout was $304,061. Approximately 42% (609) of the District's employees earned incentive pay. At that time, the average number of hours of sick leave taken by employees was 56 hours per year. The sick leave absentee rate was only 2.8%.

As shown in the following graphs, sick leave usage has increased 39% to the 1995 average of 78 hours per employee since the elimination of the Program in 1991. In terms of lost productivity hours, this increase is the equivalent of 21 full-time employees. In the current fiscal year, the annualized average of sick leave hours used by employees has increased to 81, and the annualized sick leave absentee rate has remained at the 1995 rate of 3.9%.

Employee Sick Leave Usage

Data Source: SFWMD Financial Services Division

Average Hours Used Per Employee

51 — 53 — 56 — 67 — 71 — 72 — 78 — 81

1989 1990 1991 1992 1993 1994 1995 1996
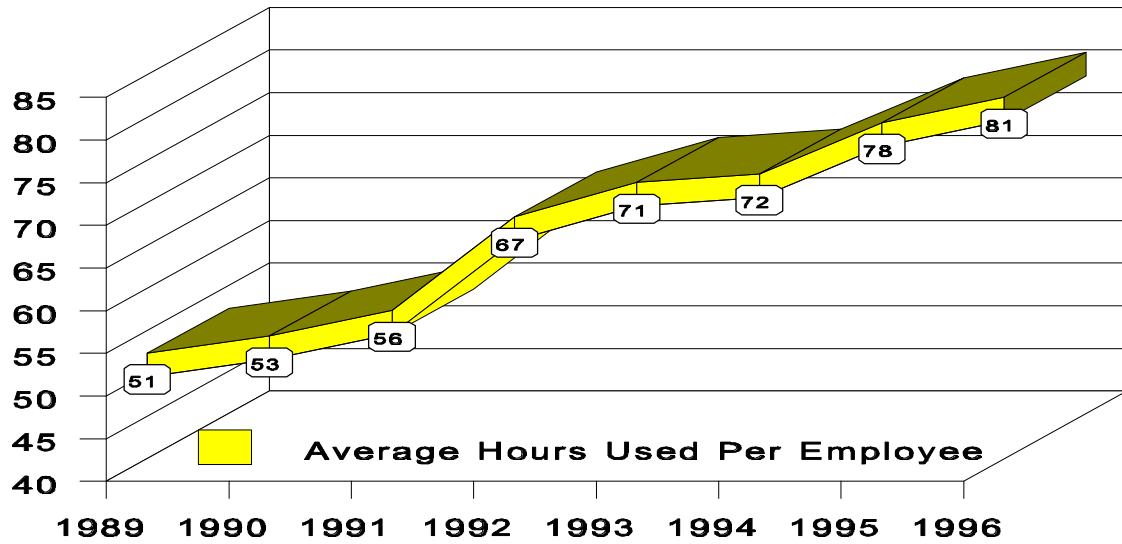
Employee Sick Leave Absentee Rate

Data Source: SFWMD Financial Services Division

1989 1990 1991 1992 1993 1994 1995 1996
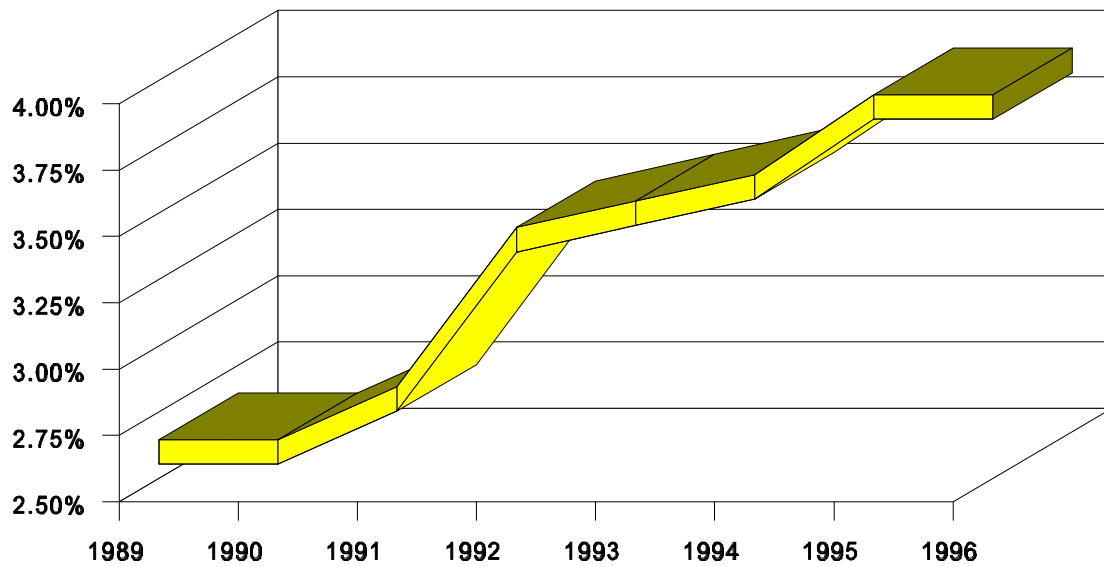
The cost of sick leave has increased significantly since the elimination of the Program. In 1991, the final year before elimination, the total cost of sick leave was $1,370,788 ($304,061 of sick leave incentive payout, plus $1,066,727 of sick leave usage). During 1995, the total value of sick leave usage was $2,159,372. Thus, the cost of sick leave has increased by $788,584 or 57.5% since the Program was discontinued.[4]

Growth In Sick Leave and Temporary Employment Costs

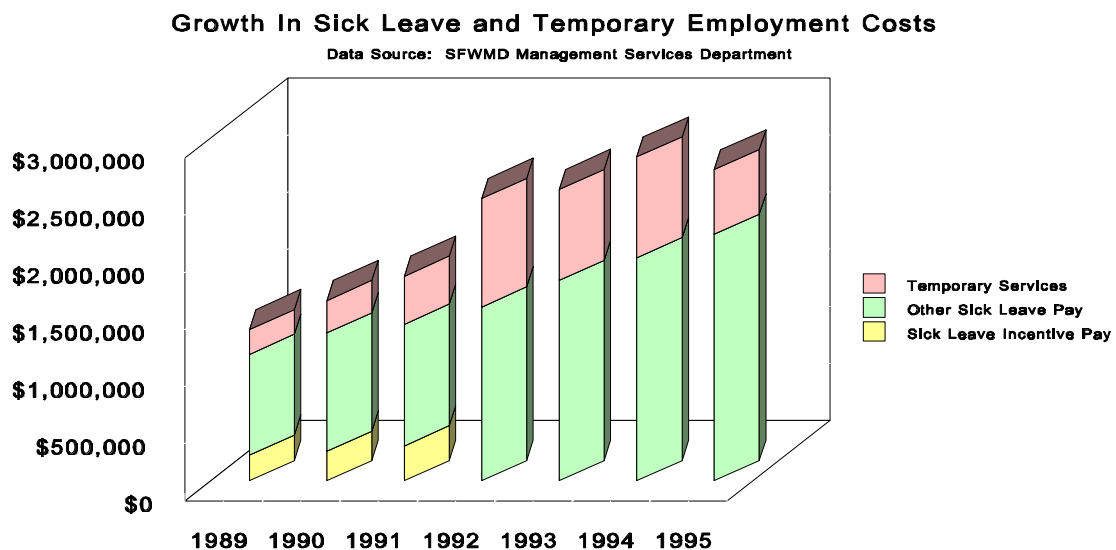Data Source: SFWMD Management Services Department

Legend:
- Temporary Services
- Other Sick Leave Pay
- Sick Leave Incentive Pay

In 1989, while the Program was in effect, $214,757 was expended for Temporary Employment Services.[5] For fiscal year 1996, as of May 31, 1996, the District had spent or encumbered $729,463 of the $951,188 budgeted for Employment Agency Services.[6] Temporary Employment Services are often incurred to fill in for District employees on sick leave. However, replacing a fully trained, skilled employee with a temporary employee does not necessarily increase productivity. In many cases, temporary employees require a certain amount of orientation, thus further reducing productivity.

---

[4] Average employment between the two periods (1989-1991 and 1992-1995) rose by approximately 14%, which accounts for some of the increased cost.

[5] Account Codes 511070, 522610, 5121 and 5382 were used to obtain the costs for Temporary Employment Services.

[6] The use of temporary services has remained fairly steady excluding 1995. In 1994, approximately 50 temporary personnel were converted to full-time employees. The use of temporary services in 1995 dropped to $563,248 following the conversion of these employees.

In an effort to increase employee availability and reduce absenteeism, the HR Division has developed the Alternative Work Schedule and Telecommuting Guidelines. These programs (in process of implementation) provide flexible work schedules for employees who can perform their jobs away from the workplace or whose jobs meet requirements for alternative work schedules. These programs, in conjunction with the Sick Leave Incentive Program, could result in significant savings through reduced absenteeism and tardiness. Funding for the Program could be redirected from the Temporary Employment Services account. Depending on the nature of temporary employment services, we estimate that the District could save a minimum of $250,000 and as much as $750,000 per year if the Program is reestablished.

Recommendation:

**1.	Consider the merits of reinstating the Sick Leave Incentive Program.**

Management Response:

Management concurs with the recommendation to review the reasons for sick leave and temporary employment usage, and to consider the merits of reinstating the Sick Leave Incentive Program.

Responsible Division:	Human Resources-Employment
Estimated Completion Date:	March, 1997

**Consider Changing Employee Assistance
Program Contract To Fixed Annual Fee**

The District has an Employee Assistance Program (EAP) to provide counseling for District employees and members of their immediate families with financial, marital, legal, and substance abuse problems. On October 24, 1995, the District entered into a three year unit price contract with an EAP provider cancelable at the discretion of either party. The District is billed on a per visit basis; total annual billings for these services may not exceed $65,000 without a contract amendment. In FY94, employee utilization of the program increased necessitating a contract amendment.

Because of the confidentiality requirements, invoices are paid without the District knowing the employee or immediate family member receiving the counseling services. In order to verify the accuracy of the monthly billings, the District engages an independent accountant to audit the billings. The average fee for such auditing services is approximately $1,500.

An alternative to a unit price arrangement would be to negotiate a fixed annual fee for the service. A negotiated fixed annual fee amount would be based on an average of the annual cost over the previous three or four year period, assuming normal employee usage of the assistance program. Benefits derived from a fixed annual fee contract include the elimination of the need for an independent audit, a reduction in administrative cost for both the District and the provider resulting from reduced record keeping and monitoring requirements, and the elimination of contract amendments, which can take considerable time and resources. These cost savings could potentially be offset if utilization of the service was lower than estimated, resulting in an increase in the per visit cost. Conversely, if usage is greater than anticipated the per visit cost will decrease and result in additional savings.

Recommendation:

> **2. The District should consider the costs and benefits of negotiating the Employee Assistance Program contract as a fixed annual fee rather than the present per visit basis.**

Management Response:

> We concur with recommendation.
>
> | | |
> |---|---|
> | Responsible Division: | Human Resources-Employee Relations |
> | Estimated Completion Date: | October, 1997 |

Long-Range Staffing Plan Needed

The District does not currently prepare a long-range staffing plan. In order for the District to achieve its goals, it is essential that a plan be developed that analyzes work force needs and supports the District's missions, priorities and programs.

The process of analyzing an organization's future staffing needs and developing a plan that will satisfy those needs is commonly referred to as Human Resources Planning. The Executive Office and Departments should work closely with Human Resources in order to perform the following types of activities.

> ! Supply and Demand Forecasting - an estimate of future staffing resource availability from internal and external sources and the future staffing and skill levels required.

> ! Comparing Supply and Demand - a comparison of the two along with the consideration of environmental factors to identify issues, opportunities, and constraints which could contribute to future human resources shortages or surpluses.

> ! Developing an Action Plan - a plan that matches the staffing requirements to the identified needs, at the appropriate time.

Identifying future workforce needs will allow management to start taking action now to ensure that positions requiring specialized skills or disciplines will be sufficiently staffed. Conversely, the plan will help identify areas where the District, if it continues on it present course, may be over-staffed.

Adequate planning is of particular importance in light of the District's goal of reducing the workforce to 1,550 by the end of FY98. Better planning will allow management to make informed decisions about the future of vacated positions. A detailed plan would allow the District to determine whether a vacated position should be restaffed or redirected. Advanced knowledge of where future vacancies will exist would also allow such programs as the Intern and the EEO Programs to be used more effectively.

Recommendation:

> **3. The District in concert with Human Resources, should prepare and annually update a long-range Human Resources Plan that incorporates the activities outlined above.**

Management Response:

> We concur with the recommendation.

> Responsible Division: Executive Office
> Estimated Completion Date: October, 1997

**Job Group Salary Surveys Should
Be Performed Biennially**

The Compensation Unit (the "Unit") performs compensation surveys to determine the competitiveness of District salaries. The Unit has changed the way these surveys are conducted in order to fine tune the salary survey program and to discontinue across the board increases. In the past, biennial surveys selected benchmark jobs from job groups (administrative, professional, craft, technical, management, etc.) and compared their pay structure to those of surveyed companies in the tri-county area and the national market. Based upon these comparisons, the salary grades of the District were adjusted across the board. The last overall survey was approved by the Governing Board on August 11, 1994, with a District-wide salary range increase of 2%.

Currently, surveys are performed for job groups which consist of positions with common duties, goals, skills, and educational requirements. The Unit has presently delineated five job groups - management, science/engineering, technical/professional, craft, and administrative resource within which all District employees would fall. In FY97, the computer professionals and paraprofessionals along with the legal professionals and paralegal, currently part of the technical/professional job group, will be evaluated as separate job groups. Job group salary surveys take approximately three months to complete. The benefits of the job group salary surveys include the ability to survey all positions in a job group and to review the hierarchy of the job group.

In addition to determining the competitiveness of job group positions, these job group salary surveys also accomplish the following objectives and functions:

> **!** revision of job descriptions and Performance Appraisal Manuals,
> **!** creation and deletion of pay grades and positions,
> **!** creation of job group career ladders,
> **!** adjustment of the District job position salary pay grades which consist of the minimum starting salary, midpoint of the salary grade, and maximum pay grade salary, and
> **!** investigation of pay equity within job groups (pay equity exists when an employee's current salary meets the indicated pay for their skills, experience, and responsibility level.

The overall objectives of the District's *Salary Administration* policy (the "Policy") include:

> **!** motivating and rewarding qualified employees,
> **!** assuring internal equity based upon performance and a rational hierarchy of jobs, and
> **!** providing the District with the ability to maintain a competitive position in the employment market.

The following job group salary surveys have been completed to date:

Job Group	Year Completed
Craft	1993
Finance & Accounting	1994
Information Systems	1994
Business Resources Analysts	1995
Science & Engineering	1996

A job group salary survey has not been performed for the management job group, which includes approximately 108 District employees. Of the professional/technical job group, only the computer and finance/accounting sub-groups have had job group salary surveys performed. The remaining 232 employees in that group have not had their positions surveyed.

The District must maintain its competitiveness to attract, motivate, and retain qualified employees. To insure external equity the Policy currently sets a goal of annual monitoring and, if necessary, modification of salary structure. The medium used by the Unit for accomplishing this is the salary survey. However, the Unit has only three employees devoted to the salary survey program and, therefore, cannot perform timely annual salary surveys of all five (soon to be seven) job groups. It takes at least three months to perform each job group salary survey. However, the Unit could perform biennial salary surveys for each job group if this was established as the new goal.

The Unit's FY97 *Performance Plan* anticipates performing the following job group salary surveys: Craft, Computer Professionals, Computer Paraprofessionals, Attorney and Paralegal. Beyond the FY97 *Performance Plan*, the Unit has not scheduled which job groups will be surveyed. The basis for scheduling job group salary surveys includes turnover rate, length of time since last review, and indications of hiring difficulties due to decreased competitiveness of salary hiring ranges.

All of the recommended pay equity adjustments in the four job group studies conducted between 1993 and 1995 were funded. However, due to budget constraints, only $230,000 of the $3 million in pay equity adjustments in the 1996 job study for science and engineering were funded. Pay equity adjustments are funded through the surveyed Department/Offices's salary increase budgets and District-wide lapse salary savings which occur when budgeted positions are vacant.

In addition to the pay equity adjustments determined through the job group salary survey program, pay equity adjustments are also provided to employees based upon Department/Office Director requests. These department initiated pay equity adjustment requests require approval of the Human Resources Director.

The amount of Department/Office Director pay equity adjustments approved for job groups for the period October 1, 1994 to August 5, 1996, are as follows:

Job Group	Pay Equity Adjustments
Business Resource	$ 23,005
Craft	20,280
Management	70,637
Science/Engineering	62,546
Technical/Professional	210,392
Total	**$ 386,860**

Data Source: Ross Human Resource Information System

If job group salary surveys were completed biennially for each job group and all equity adjustments were determined and funded, the need for department initiated pay equity adjustment requests may be greatly diminished or even eliminated. The funding used by these department initiated pay equity adjustment requests could be channeled towards funding pay equity adjustments determined through the HR job group salary survey program.

Recommendation:

> **4.   The Compensation Unit should set a goal of performing job group salary surveys biennially.**

Management Response:

> We concur with the recommendation.
>
> Responsible Division: Human Resources - Compensation
> Estimated Completion Date: April, 1997

Harassment Policy Should be Finalized

At June 30, 1996, there were 14 active sexual harassment complaints, an increase of 100% from the prior year. The District communicated its position on sexual harassment in FYI Bulletin No. 92-02 dated May 4, 1992. The bulletin defines sexual harassment and the District's commitment to have a work environment free of sexual harassment. To formally communicate the District's intolerance of any type of harassment in the workplace, the HR Division has drafted a harassment policy. This policy has not yet been formalized or approved.

Currently there is sexual harassment training available for District supervisors and employees, however, it is not mandatory. An organization the size of the District should have a formalized training program covering this issue. For regular employees, training usually focuses on what sexual harassment is, how they can avoid harassment in the workplace by not engaging in or encouraging behavior that others are likely to find offensive, and how to clearly communicate to a supervisor or manager when an employee observes or is the victim of harassment. Supervisory training focuses on the legal and practical definitions of sexual harassment, the supervisor's role to prevent and detect instances of sexual harassment, and how to take corrective action when it occurs in the work unit. The EEO Unit has been given responsibility for investigating EEO complaints including sexual harassment. Conducting sexual harassment investigations takes a significant amount of the EEO Unit's resources, leaving less time for minority recruiting.

A finalized harassment policy, that addresses all forms of harassment, will provide a basis for subsequent investigations. Well attended training courses could reduce the number of instances.

Recommendations:

> **5.   The District should finalize and approve the harassment policy.**

Management Response:

> We concur with revising the current Equal Employment Policy to include provisions on harassment. In addition to FYI Bulletin No. 92-02 of May 4, 1992, the District has had an Equal Employment Opportunity Policy, No. 03.20100, since March 12, 1982. A copy of this policy is provided to every District employee as part of the Employee Handbook.
>
> A comprehensive update of this policy has been drafted. After a review of new statutes passed by the 1996 Florida Legislature the Office of Counsel has determined that this proposed revision must be approved as a Rule since it affects significant interests of District employees. The Proposed Rule is being scheduled for incorporation in the 96-97 rule adoption calendar.
>
> The Proposed Rule will be comprehensive in nature and apply to all instances of unlawful employment discrimination. It will also define management and employee rights,

complaint filing procedures, investigation procedures, and timetables for completion of the investigation.

Responsible Division: Human Resources-Equal Employment Opportunity
Estimated Completion Date: December, 1997

6. The District should require mandatory sexual harassment training for District employees and supervisors.

Management Response:

We concur with the concept of making attendance at these types of courses mandatory for all employees and supervisors. In order to accomplish this, it will be necessary to seek an alternate delivery method for the training in conjunction with the Employee Development Unit. The single employee in the Equal Opportunity Unit will not be able to accomplish this function alone. We will propose budgeting contract training funds for FY98.

The District has been successful in providing training on an as needed basis as determined by the Department Directors. Currently, the Equal Opportunity Unit provides a three-hour basic course to District employees on Equal Employment Opportunity Training (EMD0071). A four-hour version of the course is offered to supervisors (EMD0052). These courses are not mandatory. Some departments (OMD and Management Services; Orlando, Miami, and Okeechobee Service Centers, Big Cypress Basin) have made attendance mandatory for all its employees and supervisors. Other departments are beginning to express interest in conducting such training.

Responsible Division: Human Resources-Equal Employment Opportunity
Estimated Completion Date: October, 1997

Low Rate of Employee Exit
Questionnaire Completion

During FY95, *Employee Exit Questionnaire*s (the "Questionnaires") were completed for only 51 of the 88 terminations for which we would expect one to be completed. This represents a 58% completion rate. According to the Exit Interview Results Report (the "Report") issued by the HR Division on February 21, 1996, the turnover rate at the District for 1995, was 6.2% which is comparatively low; the national average for non-business organizations is 11.6%. Notwithstanding, during FY95 the Human Resources System "Termination Report" reflects a total of 124 terminations.[7]

The Questionnaire is the primary tool used to identify the reasons for employee turnover and, if completed and analyzed, can be a valuable source of information and suggestions that can be used to improve the work environment for the remaining employees. By asking employees why they are leaving, the Questionnaires can provide insight as to how they viewed working for their supervisors and the District. The Questionnaires can also identify skills or positions for which District compensation is not competitive with the market.

The Questionnaire is divided into three sections. The first section asks the employee to give the factors that influenced the decision to leave the District, such as relocation, retirement, salary, etc., if other employment has been obtained, and if so, how the salary compares and whether there is better security and advancement opportunity. The second part of the Questionnaire asks the employee to rate, as either excellent, good, fair, poor or N/A their experience at the District in such categories as the job, salary, benefits, career development, communications/cooperation, and supervisor. There is also room for additional comments and for HR to compute an average score for each category. The third and final part of the Questionnaire asks various open-ended questions for the employee to respond too, such as, "What did you like best about your job...?", and "What does your new position offer to you that your position with the District did not?"

The primary reason that Questionnaires do not get completed is that the HR Division does not receive advance notification of terminations. In an attempt to increase the completion rate for the Questionnaire, by making the HR Division aware of terminations in advance, a *Separation of Employment* procedure and *Terminating an Employee* procedure, dated March 1, 1995 and January 1, 1995, respectively, have been drafted that require that the HR Division be contacted by the terminating employee's supervisor so that a Questionnaire be completed.

---

[7]   For purposes of determining the completion rate, we excluded terminations of 19 temporary employees and involuntary terminations of regular employees (8 discharges and 3 layoffs), for which the District does not as a rule interview, and 6 deceased employees.

Recommendation:

> **7.   The draft *Termination and Separation of Employment* and *Terminating an Employee* procedures should be completed and issued.**

Management Response:

> We concur with the recommendation that the *Termination and Separation of Employment* and *Terminating an Employee* procedures be finalized. These procedures will assist in ensuring that all departments advise Human Resources prior to an employee's termination and establish a more uniform procedure for ensuring District property is retrieved and a standard for the number of Exit Interviews which should be conducted.
>
> Responsible Division: Human Resources-Employment Unit
> Estimated Completion Date: June, 1997

**Organization Chart Presentations
Require Clarity and Consistency**

The preparation of Organization Charts are the responsibility of the departments and are forwarded to HR's Employment Unit for incorporation into the Organizational Structure Manual. The Organization Charts that the District produces, in some cases, are difficult to follow because there is no clear flow between individual charts, which would show the span of control. Also, different presentation formats are often used.

To illustrate, chart No. 8.1 for the Operations and Maintenance Department, issued as of July 1, 1996, depicts the Department Director with two Deputy Directors below him and two Senior Administrative Resources Associates below each Deputy Director. However, the next chart, No. 8.2, starts with a Senior Supervising Engineer and the individuals who report to him. It is not clear, however, which Deputy Director the Senior Supervising Engineer reports to. Similarly, Chart No. 8.3 has four different positions at the top that again lack a clear upward reporting relationship. This pattern continues for all of the remaining Operations and Maintenance Department organization charts.

Differences in presentation styles can be viewed on Executive Office charts No. 1.2/1.2.1, 1.2.2 and 1.2.3 These charts have mixtures of a shaded box with a bold outline, a shaded box with a dotted outline and an unshaded box with a dotted outline. All of these various presentations are for the same position, Director, Budget & Procurement. Another combination of presentation formats can be found at the top of chart No. 5.13, which is a Management Service Department chart, where there is a shaded box with a bold dotted outline. There is no legend or other explanation in the charts that explains how these different presentations should be interpreted. The lack of consistency is due to each department/office having responsibility for preparing their own charts. HR could be helpful and review and edit the charts as necessary to achieve uniformity.

Organization charts prepared in series should flow naturally from the top of the organization to the bottom and should be linked together in a logical flow until all positions have been accounted for and all reporting relationships presented. By linking two charts, one should be able to determine which individuals report to a certain supervisor and who the supervisor reports to.

We also found that the District has a *Table of Organization* policy which is similar to an Organization Chart except that the Table of Organization does not list names, only authorized positions, by position title. These tables are redundant and require extra administrative effort to prepare.

Recommendations:

8.   The Employment Unit should review submissions of Organization Charts to ensure that they flow logically and are uniform in appearance.

Management Response:

We concur with the recommendation. Training will be held with the preparers of the charts to ensure they understand the format established for District Charts and the appropriate sequence.

Responsible Division: Human Resources and all
                                                   Department representatives
Estimated Completion Date: October, 1996

9.   The Organization Chart and the Table of Organization should be consolidated.

Management Response:

We concur with the recommendation and completed the implementation during the audit.

Responsible Division: Human Resources-Employment Unit
Completion Date: April, 1996

Inconsistences in Recruitment
Techniques and Documentation

Our review of recruitment files indicated inconsistencies in the documentation supporting new hires. The document used to evaluate interviewees is the *Recruitment Evaluation* form. We found missing and improperly completed forms.

The interview and selection process should be documented on the form, which states that the evaluator should include the "specific reason(s) for [the] evaluation decision . . . " However, we found instances where the forms lacked specificity. For one recruitment the forms for the unsuccessful candidates indicated "Better qualified candidate selected," without further explanation. The evaluation form for the successful candidate could not be located. In another recruitment, we found evaluation forms signed and dated after the *Selection Authorization & Personnel Action* form was signed, creating the impression that the selection was made prior to the candidates being evaluated. The evaluation was actually performed prior to the approval. For another recruitment we found completed evaluation forms that supported the hiring of two individuals for that particular recruitment.

The documentation for the recruitments that we reviewed indicated that some hiring managers used preferred behavioral interviewing techniques[8] while others did not. For example, one recruitment file contained a memo, along with other supporting documents, that stated that behavioral interviewing techniques were used. For other recruitments the documentation did not provide evidence as to what type of interview technique was employed.

The inconsistencies indicate that there are no procedures in place as to how interviews should be conducted or documented. This was confirmed upon review of the District's *Recruitment* policy which is silent as to this matter. In order to eliminate biases and subjectivity from the interview process and reduce the risk of challenges by unsuccessful candidates, procedures should be drafted that detail how interviews should be conducted and documented.

We acknowledge efforts that are currently being undertaken to institute behavioral interviewing as evidenced by a memo from the Deputy Executive Director, dated September 9, 1996, that

---

[8] Human Resources professionals recommend using behavioral interviewing techniques. Behavioral interviewing is a structured goal oriented interview process that requires an up-front analysis of the competencies necessary to perform a particular job and the development of appropriate job-related questions to generate responses that can be used to evaluate identified competencies. In addition to being more defensible than other interviewing techniques, behavioral interviewing also:

> ! enhances the effectiveness of the staffing process,
> ! increases efficiency and productivity by better matching people with positions, and
> ! reinforces candidate perceptions that the process is fair.

requires that behavioral interviews be conducted and recommends behavioral interviewing training.

Recommendation:

    10.   **The District should formalize procedures for candidate evaluation and require the use of behavioral interviewing techniques. This will require formal training in behavioral interviewing for all hiring managers.**

Management Response:

We concur with the recommendation. The Behavioral Interviewing Training Program is currently offered as an option to hiring managers. With the implementation of Skilmatch Behavioral Interviewing Software in FY97, the program and procedures will be modified and mandatory for all hiring managers. Departments are being coached in the preparation of interview evaluations and Employment is requiring that interview evaluations be thoroughly completed prior to approving the *Selection Authorization & Personnel Action* form.

Responsible Division:	Human Resources (Employment, Compensation, EEO, and Employee Development Units)
Estimated Completion Date:	October, 1997

Recruitment Policy Should Be Updated

The District's *Recruitment* policy (the "Policy") has not been updated since June 1, 1985, when it was first introduced. We found that recruiting practices have changed but the Policy has not kept pace with the changes. For example, the Policy is very specific as to the minimum amount of time a job can be posted stating that clerical positions are to be posted for a minimum of 11 working days and supervisory positions a minimum of 21 days. However, minimum time limits for posting jobs are no longer mandatory. Also, areas of responsibility have changed since the Policy became effective eleven years ago. To illustrate, the Policy requires that certain documents be submitted to the "Director of Personnel" before a *Selection Authorization & Personnel Action* form can be approved. The current practice is to submit the required documentation to the Employment Manager. The Policy uses outdated terminology such as "Recruiter" and "Personnel Division" which are now referred to as Hiring Manager and Human Resources Division, respectively. Additionally, the Policy refers to positions that no longer exist such as "Director of Personnel" which is currently the Deputy Department Director for Administration. In addition to the items already mentioned, other circumstances that may require a policy to be updated include: new legislation, court decisions, and changes in related District policies.

The outdated Policy may also lead to confusion and misunderstanding among employees. For example, the policy states that initial probationary employees (employees with less than six months service) may apply for an open position outside of their division if they complete an internal application form. In actual practice initial probationary employees are not allowed to apply for other positions in the District.

Recommendation:

> **11.** **We recommend that the *Recruitment* policy be updated and circulated to all employees. When it becomes necessary to change recruitment practices the *Recruitment* policy should likewise be updated accordingly.**

Management Response:

> We concur with the recommendation. A new *Recruitment* policy has been drafted and District consensus is in the process of being obtained.

> Responsible Division: Human Resources-Employment
> Estimated Completion Date: December, 1996

Actions Needed to Ensure
Compliance With Nepotism Policy

We evaluated whether there were internal controls in place to ensure compliance with the District's Nepotism policy (the "Policy"), effective March 13, 1982. The Policy is substantially the same as Chapter 112.3135, F.S., which prohibits District employees, who have been delegated the authority to appoint, employ, promote, advance or review subordinate employees, from supervising or advocating the hiring of relatives.[9] We found that the control procedures for enforcing this policy are weak. Responsibility for the administration of this policy is delegated to the Department Directors, but the Policy is silent as to what, if any, steps Department Directors should take in order to ensure compliance.

The District's *Application for Employment* requests the applicant to indicate whether he or she has any relatives at the District. However, it is not an effective control because it is contained in the voluntary survey section and, as such, is not required to be answered. Also, the *Application for Employment* does not disclose the District's nepotism policy.   Furthermore, the *Selection Authorization & Personnel Action* form, which is completed for new hires, promotions and transfers, should include an acknowledgment that the nepotism issue has been addressed to the satisfaction of the responsible District official authorizing the hire.

Employment with the District should be contingent on compliance with the Policy as it is currently contingent upon the successful completion of a physical examination and drug screening. In order to comply with the Policy, all job applicants should be made aware of the Policy and be required to identify all relatives, as defined by the Policy, that work at the District. This disclosure should be mandatory for all new hires as well as current employees being transferred or promoted.

Recommendations:

> **12.   All job application forms should explain the District's *Nepotism***
> **policy and inquire whether the applicant has any relatives**
> **employed at the District.**

Management Response:

> We concur with the recommendation to include the statement "Applicants who have relative(s) employed by the District may not be employed in a position over which the relative has been delegated the authority to appoint, employ, promote, advance or review subordinate employees" on the external and internal job applications, *Selection Authorization & Personnel Action* form, job posting and job lines. The application form

---

[9]   The definition of relative, for purposes of the policy, is very broad and includes "in-law" and "step" relationships.

will require the applicant to indicate whether or not he/she has relative(s) employed by the District.

Responsible Division: Human Resources -Employment
Estimated Completion Date: December, 1996

13. **The *Selection Authorization & Personnel Action* form should include an acknowledgment that the *Nepotism* policy has been addressed by the District hiring manager.**

Management Response:

Management concurs with the recommendation and will add, to the *Selection Authorization and Personnel Action* form, language that states that by approving the action the signatories acknowledge that the District's nepotism policy has been complied with to the best of their knowledge.

Responsible Division: Human Resources -Employment
Estimated Completion Date: October, 1996

14. **The *Nepotism* policy should be amended to include how the Departments should administer this policy and identify who should review the application information in order to ensure that new hires meet the requirements of the policy.**

Management Response:

We concur with the recommendation to update the *Nepotism* policy.

Responsible Division: Human Resources - Employment
Estimated Completion Date: September, 1997

Intern Program Needs Performance Measures

One of the stated purposes of the Cooperative Education Opportunity Program (the "Intern Program") is to "provide equal job training opportunities for college students, with an emphasis on placement of minority and female students, with the expectation that they will become District employees after they obtain their college degrees." Based on the data that was provided to us, seven out of a total of 70 individuals, hired into the Intern Program between May 4, 1992 and August 1, 1996, became full-time employees of the District.[10] Because there are no performance measures, we could not determine whether the 10% hiring rate achieved management's expectations for the program.

In order to evaluate the effectiveness of a program, performance measures could be developed. Performance indicator reporting is globally recognized as an acceptable method for increasing accountability and for improving the effectiveness and efficiency of a program. HR has good performance indicators for many different aspects of its activities such as cost per hire, employee turnover rate, number of CAPE Reports (performance evaluations) processed, and EEO outreach.

Typically an input/output/outcome model could be developed for performance indicators. This model would assure institutional quality through input indicators (such as the number of interns hired and program costs), output indicators (quantitative and qualitative measures of performance and assignments) and outcome indicators (such as the number of interns hired). Efficiency factors, such as retention rates, could also be developed.

Recommendation:

> **15.** **Goals and performance measures for the Intern Program should be established.**

Management Response:

> We concur with the recommendation. Upon completion of the 1997 Equal Opportunity Plan, performance measures will be developed in consultation with the departments. This model will also contain a clarification of program goals as they pertain to each department. Any hiring goals for the program must be approved by senior management as part of this review.
>
> Responsible Division: Human Resources-Equal Employment Opportunity
> Estimated Completion Date: June, 1997

---

[10]   The Ross HRIS system identified 63 interns. The system did not identify interns that were subsequently hired. The EEO Unit maintains separate records on interns and identified 7 interns who were subsequently hired (full-time).